IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

WEB TELEPHONY, LLC., Plaintiff, v. BELL ATLANTIC COMMUNICATIONS, INC. (d/b/a Verizon Long Distance), et. al., Defendants.	§ § § § § § § § § § § § §	CIVIL ACTION NO. 2:07-CV-085 (DF) JURY DEMANDED

JOINT CONFERENCE REPORT

Pursuant to the Court's August 30, 2007 Notice of Scheduling Conference, Proposed Deadlines For Docket Control Order and Discovery Order, the parties hereby submit their Joint Conference Report.

1. Description of the Case

Plaintiff's Causes of Action:

This is an action in which Plaintiff Web Telephony, LLC has alleged infringement of U.S. Patent No. 6,445,694 ("the '694 patent") and U.S. Patent No. 6,785,266 ("the '266 patent"), both entitled "Internet Controlled Telephone System." Plaintiff alleges that each Defendant (a) has used and continues to use the technology of the patents in suit in products they make, use, sell and offer to sell, without plaintiff's permission, and (b) has contributed to or induced, and continues to contribute or induce, others to infringe the patents in suit.

Defendant AT&T Corp.'s Defenses and Causes of Action:

AT&T has asserted the following defenses: (1) AT&T has not directly or indirectly infringed either patent in suit; (2) one or more claims of each patent in suit is invalid for failing

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to meet the conditions of patentability set forth in 35 U.S.C. § 101 et seq., including but not limited to §§ 102, 103 and/or 112; (3) the patents in suit are unenforceable against AT&T because of waiver, estoppel, laches, unclean hands or other equitable doctrines; (4) AT&T is exempt from liability for infringement of the patents in suit in whole or in part pursuant to an implied license; (5) the patents in suit are unenforceable due to inequitable conduct arising from material misrepresentations made concerning the inventorship and right to claim priority in the patents in suit; and (6) plaintiff lacks standing to bring the asserted claims for infringement against AT&T.

AT&T has asserted the following counterclaims: (1) noninfringement of the patents in suit; (2) invalidity of the patents in suit; and (3) unenforceability of the patents in suit based on material representations made concerning inventorship and right to claim priority in the patents in suit.

Defendant Bell Atlantic Communications Inc. d/b/a Verizon Long Distance's ("Verizon's") Defenses and Causes of Action:

Verizon has asserted the following defenses: (1) Verizon has not directly or indirectly infringed either patent in suit; (2) one or more claims of each patent in suit is invalid for failing to meet the conditions of patentability set forth in 35 U.S.C. § 101 et seq., including but not limited to §§ 102, 103 and/or 112; (3) the patents in suit are unenforceable against Verizon because of waiver, estoppel, laches, unclean hands or other equitable doctrines; and (4) the patents in suit are unenforceable due to inequitable conduct arising from material misrepresentations made concerning the inventorship and right to claim priority in the patents in suit.

Verizon has asserted the following counterclaims: (1) non-infringement of the patents in suit; (2) invalidity of the patents in suit; and (3) unenforceability of the patents in suit based on material representations made concerning inventorship and right to claim priority in the patents in suit.

Defendants Vonage Holdings Corporation and Vonage America, Inc.'s Defenses and Causes of Action:

Vonage has asserted the following defenses: (1) Vonage has not infringed or induced or contributed to the infringement of either patent in suit; (2) one or more claims of each patent in suit is invalid, void and unenforceable for failure to comply with one or more provisions of the United States Code, including but not limited to 35 U.S.C. Sections 102, 103, and/or 112, and/or for failure to comply with the Rules and Regulations of the United States Patent and Trademark Office, as set forth in Title 37 C.F.R.; (3) the patents in suit are unenforceable against Vonage due to laches, estoppel, unclean hands and/or implied license; and (4) relief is barred in whole or in part by 35 U.S.C. Section 287. Vonage also asserts that the patents in suit are unenforceable due to the inequitable conduct of inventor Robert Swartz and/or others associated with him. As set forth in Vonage's Amended Counterclaims, Swartz and/or others associated with him made, with deceptive intent, material misrepresentations concerning inventorship and right to claim priority in the patents in suit.

Vonage has asserted counterclaims alleging: (1) that Vonage has not infringed the patents in suit; (2) that the patents in suit are invalid, void and/or unenforceable for the reasons set forth in subparagraphs (2), (3) and (4) above; and (3) that the patents in suit are unenforceable based on the foregoing inequitable conduct.

Defendant SunRocket Corporation's Defenses and Causes of Action:

SunRocket has asserted the following: (1) SunRocket has not infringed, directly or indirectly, any valid claim of the '694 or '266 patents; (2) one or more claims of the '694 and/or

'266 patents are invalid for failure to comply with one or more provisions of 35 U.S.C. §§ 102, 103, and 112; (3) the '694 and '266 patents are unenforceable because of inequitable conduct by the named inventor and others associated with him during the prosecution; (4) Web Telephony's claims are barred by the doctrines of waiver, laches, estoppel, and unclean hands; (5) Web Telephony is not entitled to injunctive relief because it has an adequate remedy at law; (6) Web Telephony's claims are brought for the purpose of harassment and not in good faith. (7) With respect to the lawsuit against SunRocket, it should be found to be exceptional under 35 U.S.C. §285 and SunRocket awarded its attorneys' fees and costs.

2. Rule 26(f) Conference

The Rule 26(f) conference was held on September 10, 2007. The persons in attendance, and the parties they represent, are as follows:

Counsel for Plaintiff Web Telephony, LLC

Elizabeth L. DeRieux
BROWN MCCARROLL

Counsel for Defendant AT&T Corp.

Bruce D. DeRenzi
Andrew M. Riddles
CROWELL & MORING, LLP

James N. Haltom
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Scott W. Doyle
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Jeffrey Joseph Cox
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Counsel for Defendant SunRocket Corporation

Mark L. Hogge
Christopher Michael Joe
Shailendra K Maheshwari
GREENBERG TRAURIG, LLP

3. Related Cases

No related cases are currently pending in either state or federal court.

4. Expected Length of Trial

Plaintiff's Statement: Plaintiff expects the trial to last one week.

Defendants' Statement: Defendants expect the trial to last two to three weeks.

5. Trial before a Magistrate Judge

The parties do not consent to trial before a magistrate judge.

6. Jury Demand

A jury demand has been made.

7. Deadlines in the Proposed Docket Control Order

A Proposed Docket Control Order is submitted concurrently herewith, setting out the parties' respective positions. See Exhibit A.

8. Proposals for limitations on discovery

The parties do not propose any changes to the discovery limitations set forth by the Court pertaining to the number of interrogatories, number of requests for admission, total hours of fact deposition, and hours per day of deposition for individual, 30(b)(6) and expert witnesses.

9. Entry of Protective Order

Plaintiff has provided defendants with a draft proposed protective order. Defendants have considered the proposed draft and provided Plaintiff with their collective comments and concerns. A final proposed protective order has not yet been agreed upon.

10. The appointment of a Technical Advisor or Special Master

Plaintiff's Statement: No technical advisor or special master is needed.

Defendants' Statement: Defendants believe that a technical advisor would be helpful in this case. Defendants suggest that the parties promptly meet and confer on appropriate candidates for that role, and submit a name to the Court if agreement can be reached, and 3 names from each side if agreement cannot be reached.

11. The number of claims being asserted

Plaintiff's Statement: 10

12. Possibility of early mediation

Plaintiff and Defendants are willing to engage in early mediation, but have differing proposed dates.

Plaintiff's Statement: Plaintiff suggests a deadline for early mediation of December 31, 2007.

Defendants' Statement: Defendants propose a deadline for early mediation of April 24, 2008, after the parties have conducted some discovery and exchanged positions regarding claim construction.

The parties will promptly meet and confer on appropriate candidates to mediate the case, and submit a name to the Court if agreement can be reached, and three names from each side if agreement cannot be reached.

13. Local Rules Relating to Attorney Misconduct

Plaintiffs and Defendants are aware of Local Rules AT-1, 2 and 3 relating to attorney conduct.

Dated: September 28, 2007

Respectfully submitted,

By: /s/ Elizabeth L. DeRieux

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COUNSEL FOR BELL ATLANTIC COMMUNICATIONS, INC. D/B/A VERIZON LONG DISTANCE

CERTIFICATE OF SERVICE

I hereby certify that all counsel of record who are deemed to have consented to electronic service are being served this 28th day of September, 2007, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail, facsimile transmission and/or first class mail on this same date.

/s/_Elizabeth L. DeRieux